



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

THE DIRECTOR

June 9, 2004

The Honorable Stephen A. Perry  
Administrator  
General Services Administration  
18th & F Streets, NW  
Washington, DC 20405

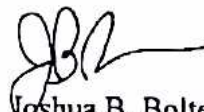
Dear Administrator Perry:

This letter is in response to your request for an extension of the April 1, 2003, designation granted by the Office of Management and Budget (OMB) to the Administrator of the General Services Administration (GSA) to serve as an executive agent for government-wide acquisitions under existing GSA government-wide information technology (IT) acquisition programs. OMB is extending the April 1, 2003 designation through June 30, 2005, for the government-wide acquisition contracts (GWACs) identified in Enclosure A, subject to existing terms and reporting requirements and with the additional understandings and clarifications described in Enclosure B.

We appreciate GSA's commitment to improve the internal controls related to the use of its GWACs and other contract vehicles. We will carefully consider GSA's progress in implementing these improvements in evaluating future executive agent designation requests.

OMB looks forward to working with you and the other executive agents to ensure that GWACs are providing cost-effective, quality results for our taxpayers.

Sincerely,

  
Joshua B. Bolten  
Director

Enclosures

**Enclosure A****GSA's Government-wide Acquisition Contracts****1. Applications and Support for Widely-diverse End User Requirements (ANSWER) Contract**

Scope: Provides for services in the following areas: requirements and design research, analysis and definition; system development and software maintenance; facilities planning; technical support; local, wide, and metropolitan area networks (LAN, WAN, MAN) and telecommunications system management support; LAN, WAN, MAN and telecommunications network systems operations support services; electronic input; specialized workstation support; and computer equipment maintenance as well as management support services for business, scientific and engineering applications.

**2. Millennia Lite Contract**

Scope: Provides a wide variety of professional IT support services categorized into four functional areas: planning, studies and assessment; high-end IT services; mission support services; and legacy systems migration and new enterprise systems development.

**3. Millennia Contract**

Scope: Includes a broad scope of IT services including new and emerging technologies. The scope of support is intended to cover all requirements for IT, including computers, ancillary equipment, software, firmware and similar applications; services (including support services), and related resources. The contract is designed for very large systems integration and software development projects. General tasks could fall into three functional areas: software engineering; communication; and systems integration.

**4. Virtual Data Center Contract**

Scope: Provides a full range of primary data processing and support services for hardware and software, including: all essential components and resources to service and maintain data center computing; system back-up and disaster recovery services; operations and systems support; systems and application software support; and migration support and acceptance testing support.

**5. Smart Card Contract**

Scope: Includes the supplies and services necessary to support a common, interoperable, multi-application smart card. The smart ID card will contain information carried on a chip to be used by agencies commonly across applications. The smart card can be used to provide basic visual identification, identification authentication, physical and logical access control, and other value-added features. In addition to the card and accompanying applications, smart card management services and smart card system integration to existing or planned systems can also be ordered.



## **6. 8(a) FAST**

Scope: Provides a broad range of high quality, IT, non-complex integration services from 8(a) contractors. These services can range from simple connection of personal computers to peripherals, through construction LANs, up through installation of WANs. Agencies can accomplish anything from partial installations to turnkey installations, including ongoing operations, using commercial-off-the-shelf hardware/software and labor.

## **7. 8(a) STARS**

Scope: An 8(a) competitive set-aside contract providing agencies with IT services and solutions from certified 8(a) firms. The contract is divided among multiple functional areas, including telecommunications, internet publishing, computer programming, computer systems design, computer facilities management, data processing, hosting, and other related computer services.

## **8. HUBZone Contracts**

Scope: Offers agencies access to competitive firms offering IT services that are also certified as Historically Underutilized Business Zone (HUBZone) contractors. The contract will be divided among multiple functional areas, including internet services, call centers, distance learning, video conferencing, wiring and cabling, network design, computer operations/support, network management, contingency planning, disaster preparedness/recovery and information assurance.

## **9. Access Certificate for E-Services (ACES) Contract**

Scope: Facilitates secure on-line access to government information and services by the public through the use of Public Key Infrastructure and digital signature technology. Provides tools and services for identification, authentication, technical non-repudiation, and data integrity for individuals and business entities accessing, retrieving, and submitting information over the Internet.

## **10. Information Technology Omnibus Procurement II**

Scope: Provides a wide range of IT services within three functional support areas: information systems engineering, systems operations and management, and information systems security support services.

**Enclosure B****GSA Executive Agent Designation  
Additional Provisions**

The executive agent designation granted to the Administrator of GSA is subject to the terms and reporting requirements described in the April 1, 2003 designation and the following additional understandings.

**Alignment with the President's priorities**

As GWACs are recompeted, or new GWACs are considered, OMB intends to evaluate whether the proposed GWACs are furthering the President's Management Agenda, including, in particular, E-Government priorities and principles. This assessment will help to better focus the government's buying power, knowledge, and resources on those initiatives that are likely to bring the best return on taxpayer investment. In light of the anticipated size of the contemplated Alliant GWAC, in particular, GSA should not issue a final solicitation for this GWAC until receiving written confirmation that OMB has completed its review of GSA's business case.

OMB also seeks to determine, on an ongoing basis, whether GWAC effectiveness can be enhanced through revision to the policies or principles in current designation agreements. This determination will be informed, in part, by the information executive agents report to OMB pursuant to their designation agreements. The determination will be further informed by recommendations made by an advisory panel of government and industry experts. Section 1423 of the Services Acquisition Reform Act of 2003 requires OMB to establish this panel for the purpose of reviewing acquisition laws and regulations. The law instructs the panel to address the use of GWACs and other interagency contract vehicles and make recommendations to OFPP and Congress.

**Roles and responsibilities**

OMB intends to work with executive agents to ensure there is a clear understanding of roles and responsibilities between servicing and customer agencies. This will further help to ensure that GWACs are models for effective acquisition. As part of this effort, GSA shall take steps as may be necessary to affirmatively determine that any order over \$100,000 that is placed under a GWAC authorized by this designation falls within the scope of the GWAC.

**Size recertification**

This redesignation is granted with the understanding that GSA will require re-certification from all GSA GWAC small business contract holders in accordance with the cycle specified by the Small Business Administration (SBA) when its rule on small business size certification becomes effective. Until SBA's rule is finalized, OMB understands that GSA is using interim procedures to ensure small business status.



**Opportunities for service-disabled veteran-owned small businesses**

The President recently signed Public Law 108-183, the Veterans Benefit Act of 2003, which gives contracting officials the authority to reserve procurements for performance by small businesses owned and controlled by service-disabled veterans. This new statutory authority can give small businesses owned and controlled by service-disabled veterans greater access to opportunities to participate in performance of contracts and task orders under GSA's GWACs. OMB appreciates the steps GSA is taking to consider development of a GWAC devoted to service-disabled veteran owned small businesses.

**Information Technology Omnibus Procurement (ITOP) II GWAC**

By letter dated April 23, 2004, GSA advised the Office of Federal Procurement Policy of its desire to serve as an executive agent for ITOP II, a \$10 billion dollar, seven year, multi-agency contract for IT support services that was initially awarded by the Department of Transportation (DOT) in January 1999. OMB understands that GSA's Contract Vehicle Review Board (CVRB) has reviewed the ITOP II contract and concluded that, with appropriate management attention, the vehicle could serve as a desirable alternative for a number of federal customers. GSA points out that ITOP II has been used by more than 20 federal IT customer agencies who have placed over \$4 billion in orders for information systems engineering, systems operations and management, and information systems security support services.

OMB grants GSA's request for a designation for GSA to serve as executive agent for the ITOP II contract, subject to the terms and conditions of this designation or any successor designation that OMB may issue. This designation is provided only to the extent that actions taken by DOT and GSA to allow for GSA operation of ITOP II are consistent with authorities and limitations of existing law.

If GSA recompetes ITOP II, the following conditions will apply:

- The CVRB will provide an assessment of how operation of a successor contract to ITOP II can be rationalized with other GSA-operated GWACs;
- GSA will work with OMB to align the successor to ITOP II with specific E-Government priorities and identify metrics for achieving best value; and
- GSA will assess whether ITOP is fulfilling the statutory preference for fixed-price performance based orders and effectively promoting small business participation.

**Contract activity reporting**

OMB will continue to require activity reporting on an annual basis. Accordingly, by December 15, 2004, GSA should submit a report for activities occurring on its GWACs during FY 2004 in accordance with the reporting requirements set forth in OMB's March 28, 2002 and April 1, 2003 letters.